

**§ 105-449.88. Exemptions from the excise tax.**

The excise tax on motor fuel does not apply to the following:

- (1) Motor fuel removed, by transport truck or another means of transfer outside the terminal transfer system, from a terminal for export, if the motor fuel is removed by a licensed distributor or a licensed exporter and the supplier of the motor fuel collects tax on it at the rate of the motor fuel's destination state.
- (1a) Motor fuel removed by transport truck from a terminal for export if the motor fuel is removed by a licensed distributor or licensed exporter, the supplier that is the position holder for the motor fuel sells the motor fuel to another supplier as the motor fuel crosses the terminal rack, the purchasing supplier or its customer receives the motor fuel at the terminal rack for export, and the supplier that is the position holder collects tax on the motor fuel at the rate of the motor fuel's destination state.
- (2) Motor fuel sold to the federal government for its use.
- (3) Motor fuel sold to the State for its use.
- (4) Motor fuel sold to a local board of education for use in the public school system.
- (5) Diesel that is kerosene and is sold to an airport.
- (6) Motor fuel sold to a charter school for use for charter school purposes.
- (7) Motor fuel sold to a community college for use for community college purposes.
- (8) Motor fuel sold to a county or a municipal corporation for its use.
- (9) Biodiesel that is produced by an individual for use in a private passenger vehicle registered in that individual's name pursuant to Chapter 20 of the General Statutes. For the purposes of this subdivision, the term "private passenger vehicle" has the same meaning as in G.S. 20-4.01.
- (10) Motor fuel sold to a hospital authority created under G.S. 131E-17.
- (11) Motor fuel sold to a joint agency created by interlocal agreement pursuant to G.S. 160A-462 to provide fire protection, emergency services, or police protection.
- (12) Fuel grade ethanol or biodiesel transferred between terminals within North Carolina, if the fuel grade ethanol or biodiesel is owned by the same licensed supplier. (1995, c. 390, s. 3; 1995 (Reg. Sess., 1996), c. 647, ss. 20, 21; 1998-98, s. 28; 1998-146, s. 6; 2000-72, s. 2; 2000-173, ss. 13(b), 15; 2001-427, s. 9(a); 2002-108, s. 11; 2007-524, s. 1; 2016-5, s. 5.3(d); 2018-39, s. 1; 2023-12, s. 3.22(a).)